THE TOBACCO INSTITUTE, INC.
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WILLIAM KLOEPFER, JR.
Senior Vice President

August 4, 1975

Curtis Judge, Lorillard
Cyril Hetsko, American
Charles Wade, RJR
Frederick Haas, L&M
Kendrick Wells, B&W
Thomas Ahrensfeld, PM

I am informed by the FTC's public information office that if any reporter inquires about the status of communication to your company regarding the warning question, he will be given a copy of the letter sent to your company last Friday. If this occurs, and if a comment is requested by any reporter from your company or from me as your representative, and if each company agrees, I suggest that the following statement should be used to respond to such a request:

"On July 22 the Federal Trade Commission apparently reached new decisions regarding compliance with its requirements for display of a health warning in cigarette advertising. Information relating to those decisions was leaked--presumably by the Commission staff--to the news media.

"Letters were sent by the Commission to the companies involved on August 1. The letters are as vague and lacking in actual and adequate specificity as were the news stories resulting from the leaks from the Commission.

"The result is that the six companies have been and continue to be subjected to embarassing publicity in connection with charges to which no specific response is possible.

"In our opinion, the public should be informed of what the companies regard as inexcusable behavior by an agency of the government.

"Twice--early in 1973 and again last year--the Commission told Congress in official reports that cigarette advertising was in compliance with the Commission's requirements.

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Source: https://www.industrydocuments.ucsf.edu/docs/xxfj0000

"Three months after the latest assurance, we learned that a compliance investigation was under way.

"The companies concerned have spent, to date, in excess of a half million dollars to meet the Commission's investigative demands. This has included provision of countless exhibits, numerous days of travel to Washington by counsel and executives and interrogation of employees of 17 advertising agencies by the Commission staff.

"Throughout the investigation, counsel for all the companies repeatedly stated our readiness to make changes necessary if specific advertising violations would be identified.

"On each occasion the Commission staff refused to cooperate, demanding instead the payment of millions of dollars in penalties for alleged and unspecified violations. We refused to yield to this form of administrative demand.

"We now call upon the Commission--and hope the Congress and the public will join in this call--promptly to investigate the sources of the news media leak. We further call upon the Commission to advise us in a proper manner of the alleged advertising offenses.

"We remain confident that our advertising has been in total compliance."

William Kloepfer, Jr.

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